

February 20, 1992 LB 1120

PRESIDENT MOUL: One minute.

SENATOR WITHEM: ...you think you can look your service providers...

PRESIDENT MOUL: One minute.

SENATOR WITHEM: ...and your constituents in the eye and say, yes, it is a good idea to make this tax shift over to a sales tax on services, then you should vote to retain this in the bill. The purpose of offering the amendment is to give the body, each individual member of the body, an opportunity to go on the record and indicate whether or not you support imposing a sales tax on services. I do not and I am going to vote in favor of this amendment I would urge you also to join with me in doing so.

PRESIDENT MOUL: Thank you, Senator Withem. Before we proceed with debate, I would like to call the senators' attention to the north balcony. Special guests today of Senator Conway are 25 counseling students from Wayne State College. They are accompanied by their Professor, Kathy Conway. Would you please rise and be recognized. Thank you. The speaking order now is Senator Hall, Moore, Withem, Schellpeper, Schmit, Morrissey and Haberman. Senator Hall.

SENATOR HALL: Thank you, Madam President, and members, I rise to oppose the amendment to strip the service tax out of the bill. The argument that is made by the proponents of the amendment is predicated on the belief that business never passes on any tax. If you...if you buy that argument that there is going to be a shift under this proposal, which is accurate, every handout I have ever handed out on a proposal similar to LB 20 or the one that's currently before us has always had a sector by sector breakdown, period, and it's never been a behind-the-back proposal. It always lays it out. The argument is that a service tax is going to be borne by the individual whereas a personal property tax is going to be borne by the business entity and it's predicated on the belief that business does not pass on their taxes. It's a fallacy at best. It happens, ladies and gentlemen, if they didn't pass it on, they wouldn't be in business very long. And if you don't believe the consumer doesn't understand that, then I guess, you know, you should vote for that...this amendment if you don't believe that. The one, I think probably the greatest issue in 1120 is the fact